

2014 Holiday Strategy Guide

How to Win Big with Retargeting this Holiday Season

AdRoll

The Global Leader in Retargeting

Executive summary

For most retailers, the holidays are the top spending season of the year—and they're approaching fast. In the US, online retail shopping continues to grow at double-digit pace, with a projected growth rate of nearly 10% every year for the next four years.¹ Retargeting is poised to play an even more significant role in influencing sales than ever before, and not just through traditional desktop campaigns: in the past year, mobile commerce has increased by more than 37%.² With more shoppers using handheld devices to research and purchase, mobile is reshaping strategies for advertisers in every industry this holiday season.

In this guide, we'll help you set up the most successful retargeting campaigns during this critical time of year:

- ▶ Understand how consumer behavior changes during the holidays
- ▶ Learn best practices for targeting on desktop and mobile
- ▶ Ensure the highest possible ROI when converting consumers
- ▶ Target the right people in the right place at the right time

"During the holiday season, the AdRoll optimizations led to our click-through rates tripling and our ROI doubling."

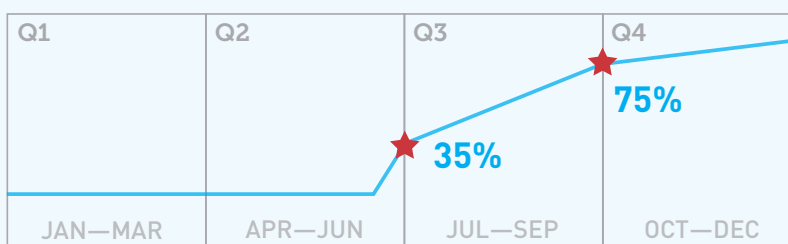
— Kim Carter, Celeb Boutique, Branding Director

Top holiday shopping trends for 2014

THIS 2014 HOLIDAY SEASON → $\left[\frac{\$82 \text{ BILLION}}{180 \text{ MILLION PEOPLE}} \right] = \text{AN AVERAGE SPEND OF } \$683.33 \text{ PER PERSON}$

Dust off your ornaments early

Customers start shopping as early as July for holiday gifts.



Last year, our advertisers saw a 35% increase in sales from Q2 to Q3.
And 75% more sales leading from Q3 to Q4.

The holidays are a time for social engagement

67% of consumers would likely share a coupon on Facebook during the holidays.



25%

of consumers are heavily influenced by peer recommendations on Facebook and Twitter when deciding on a holiday gift.



34% will tweet about promo offers and deals.



64%

of shoppers on Twitter have purchased a product because of a tweet.

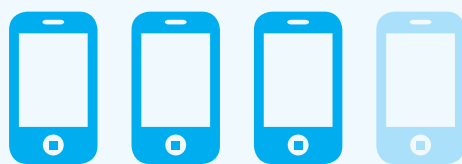
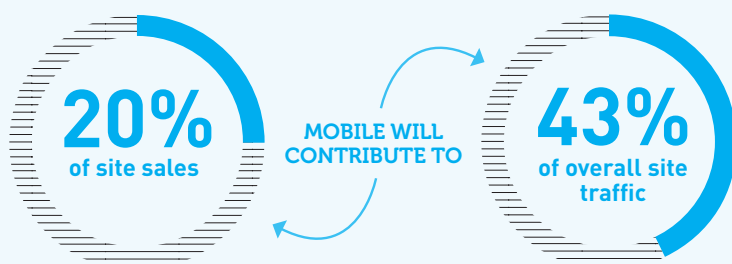
Source: <http://blog.adroll.com/planning-holiday-shopping>

'Tis the season to go mobile

This holiday season, 20% of online sales and over 43% of overall site traffic is projected to come from mobile, with three of every four smartphone owners using their devices to research and complete holiday purchases.^{3,4} Of the \$100B in sales that will be purchased on mobile devices this year, tablets will account for over 60%. When shoppers jump between different devices and apps, your ads should reach them wherever they browse. AdRoll clients who deploy mobile retargeting campaigns in the Facebook News Feed have enjoyed a 10% boost in click-through-rates, 57% lower CPMs, and cost-per-installs as low as \$0.50. If you aren't already deploying a cross-device advertising strategy to reach your customers wherever they are, make 2014 the year you finally go mobile.

To get started with a mobile retargeting program, begin by establishing your mobile KPIs. If you want to drive high-quality mobile app downloads among current and prospective customers, use Mobile App Install ads to zero in on your desktop audience of recent website visitors. Cycling manufacturer Trek used mobile retargeting with AdRoll to drive a 3.25% CTR and an impressive 160% spike in installs for its iPad app.

Mobilize your campaign



3 out of every 4 smartphone owners will use their devices to research and make holiday purchases.



Try app install ads this season to increase sales and customer lifetime value!

Source: <http://blog.adroll.com/planning-holiday-shopping>

If your goal is to drive shoppers to your mobile-optimized site, use mobile retargeting campaigns to reach users who've visited your desktop site and present them with recommended products. During the 2013 holiday season, outdoor retailer Rock/Creek used retargeting on Twitter across desktop and mobile to highlight their holiday promotions, resulting in a 6.29% engagement rate and an average CPC of \$0.45.

Why does mobile retargeting work so well? The innovative ad technology uses deterministic targeting methods based on unique user IDs that allow you to reach specific audiences with a higher degree of precision than other targeting options in mobile.

To ensure you stay top of mind with shoppers wherever they go, take full advantage of every mobile inventory source available—including Facebook, Twitter, and the mobile web. Our retargeting algorithm will deliver the right ad to the right customer, so you'll get the maximum sales at the lowest possible cost.

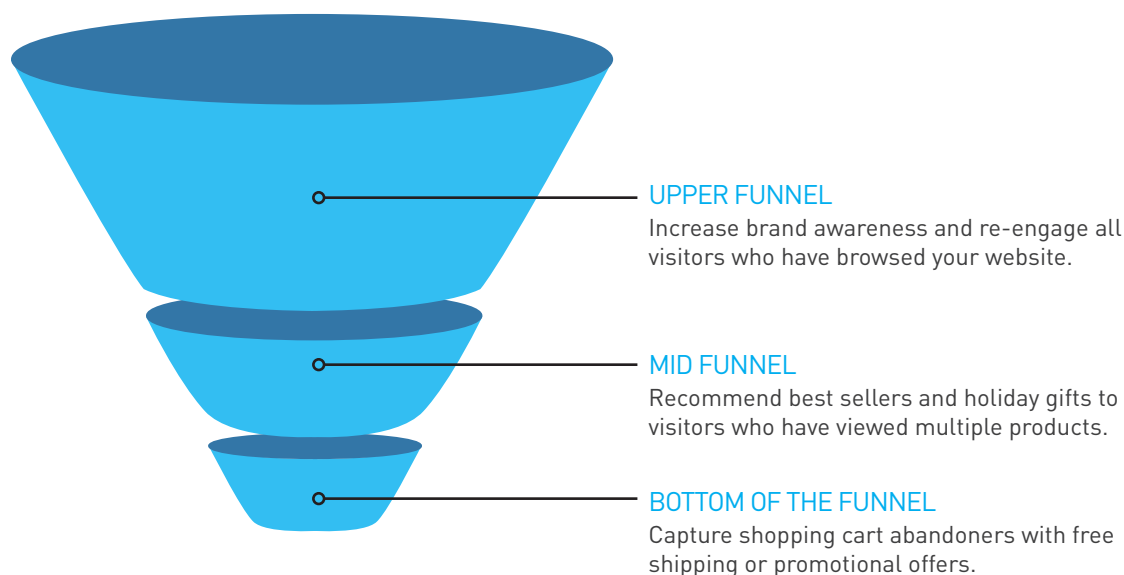


Inventory Holiday Checklist

- ☒ Web
- ☒ Facebook News Feed
- ☒ Facebook Right-hand Column
- ☒ Mobile
- ☒ Video
- ☒ CRM
- ☒ Twitter

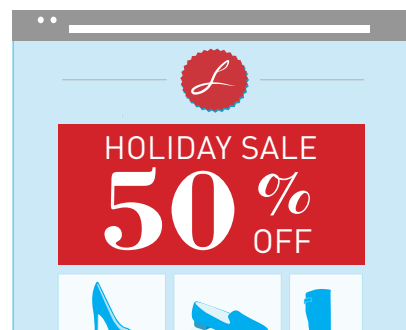
Plan full-funnel campaigns

Retargeting isn't just a bottom-of-the-funnel strategy: today's marketers use retargeting campaigns to move the needle on a variety of key objectives, including brand awareness, social engagement, and customer retention. As you plan your holiday strategy, think about how you can win conversions from upper- and mid-funnel shoppers, as well as from shoppers who only need one more nudge to make a purchase. A full-funnel retargeting approach will help you tackle shopping cart abandonment, build new audiences, and expand your overall sales volume.



UPPER FUNNEL

Holiday shoppers might stop by your site while they're looking for inspired gift ideas, then leave without fully exploring everything you have to offer. Target your "All Visitors" segment and shoppers who bounced from your homepage, then win them back with branded, holiday-themed ads that entice them to explore your product catalog.



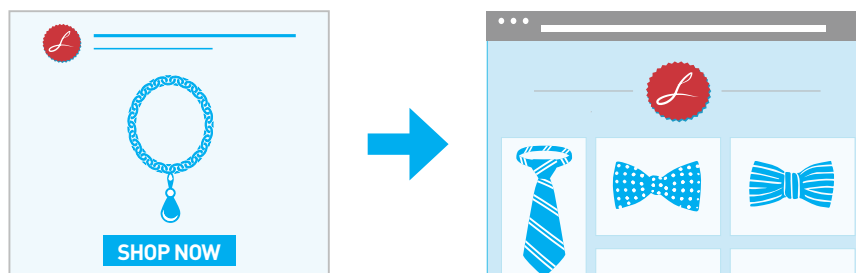
MID FUNNEL

During the holidays people aren't just shopping for themselves, they're also shopping for friends and family. Get creative with your recommended products and adjust your approach for matching product-specific ad creative to audience segments to account for changes in shopping patterns. For example, you might want to target shoppers who browsed women's fashions and serve them ads for gift-worthy men's accessories.

1. Matching gender specific creative or LiquidAds



2. Promote gifts for the opposite gender as well to inspire gifts for loved ones



Dynamic ads, like AdRoll's LiquidAds, are a great way to introduce users to a broader range of products that might interest them as gifts for themselves or others on their list.

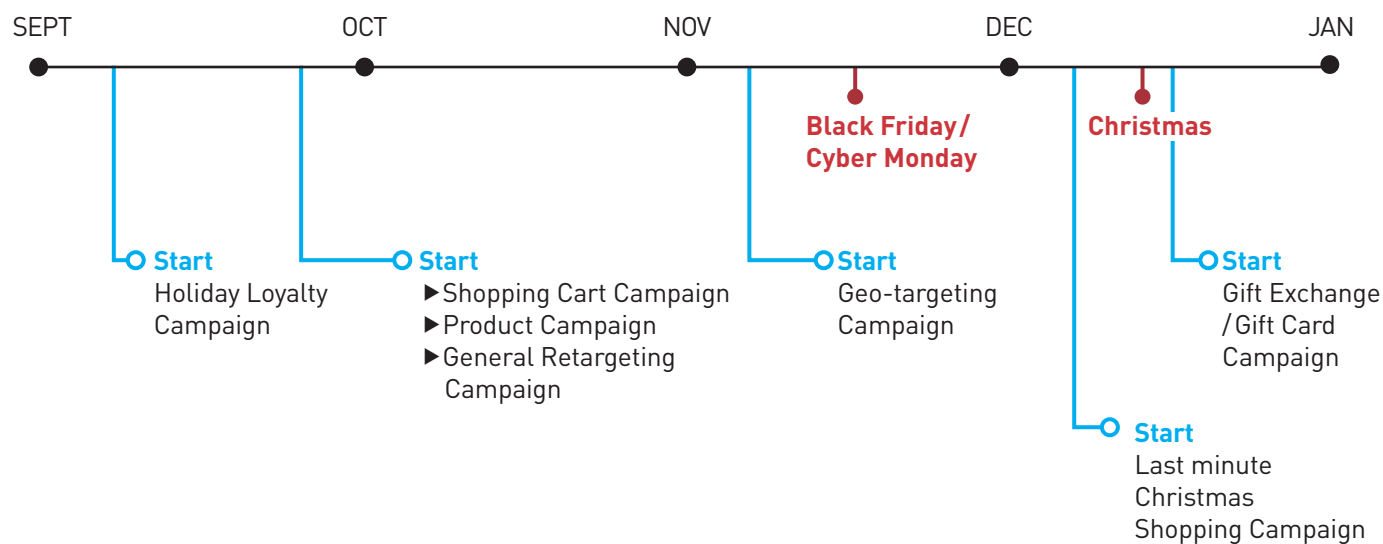
BOTTOM OF THE FUNNEL

Customers who put an item in their shopping cart are your most valuable, highest intent users. The multi-channel customer journey, as users jump between devices and platforms, has led to high rates of shopping cart abandonment, measured at an all-time high of 71% last year and projected to be one of the primary ways retailers miss out on sales during the holiday season.¹

Make sure you're armed with a plan to address cart abandonment. Set up campaigns that target your high-intent users with personalized ads and bring them back to complete the purchase.



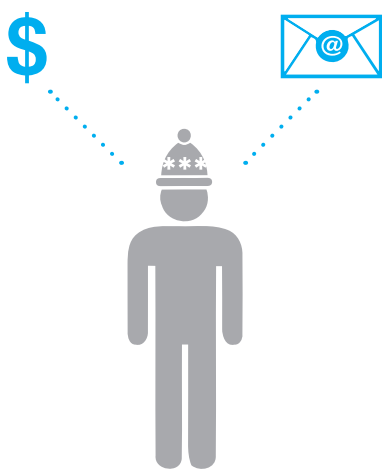
Here's a recommended timeline and segmentation strategy for executing across the entire funnel:



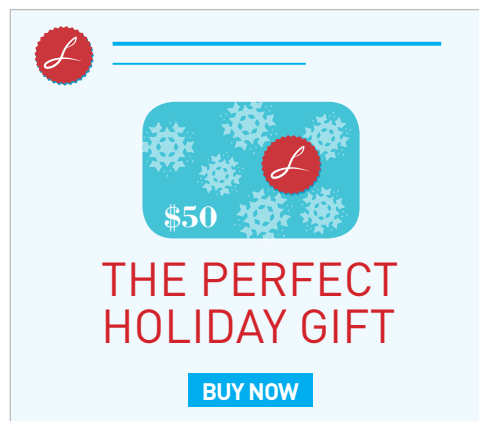
Tap into loyal customers with CRM retargeting and promotions

Shoppers who have purchased from you in the past are much more likely to buy from you again, so setting up campaigns to target past customers is a smart strategy for the holidays. Taking advantage of your email lists with CRM retargeting not only gives you access to customers who haven't been to your site in awhile, it also lets you create audience segments based on specific sets of first-party data. We recommend targeting past customers with an enticing holiday promotion, gift card, or gift guide to maximize repeat purchases. According to a recent survey, 55% of consumers expect retailers to serve customized offers based on purchasing and behavioral data.¹

To run a loyalty campaign for the holidays, create a segment of site visitors who have completed a purchase and extend the segment duration to at least six months and up to a year in the past. Exclude the first 7 to 14 days directly after the purchase to give your customers a break in messaging, then serve ads that feature a top-selling product or one that compliments what they previously bought.



Past purchaser or subscribed
to an email newsletter

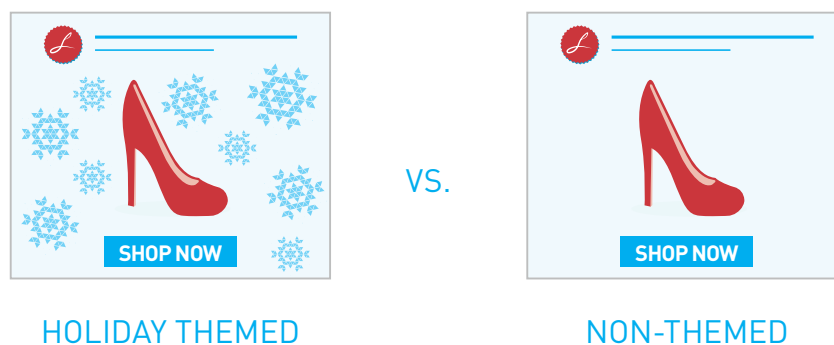


Promote gift cards or holiday best sellers

Get personal with dynamic creative

Ensuring the highest possible ROI on advertising during the holidays calls for more than an expanded budget. You'll want to take the time to consider the customer experience and design creative that supports your goals. 40% of consumers say they purchase more from retailers that deliver a personalized, cross-channel shopping experience.¹

Using dynamic ads cuts down on the time it would take to build different messages for every product in your catalog. And because dynamic ads offer a tailored experience and interactive features, they give shoppers a better overall brand experience. Advertisers who use personalized dynamic ads see up to a 44% lift in ROI over static retargeting.⁵ Expand your dynamic ads to include holiday-specific gifts or best-selling items to drive higher holiday sales.



Bid up to stay competitive

Competition for all ad inventory tends to surge over the holiday season, so be prepared. We've seen CPM bids increase as high as 156% during the holiday season relative to the end of September, so make sure the time you spent on strategy delivers the results you're looking for. Bump up your frequency caps to make sure you're capitalizing on condensed purchase windows, increase your CPM bids to win inventory, and allocate extra budget to prepare for significant traffic increases.



Conclusion

The holidays are a time of big rewards for prepared marketers. We're here to provide best practices and help ensure you have a successful holiday campaign this season. Contact delight@adroll.com or your account manager for more tips and tricks.

About the authors

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With a background in customer advocacy and international communication, Kexin manages integrated marketing for AdRoll's global expansion. She pioneered Power Brands, AdRoll's customer marketing program, and today drives advocate marketing programs.

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Hussein Zayan focuses on building campaign optimization and broader advertising strategies for AdRoll's apparel brands. Hussein graduated from the Business School at the University of Washington in Seattle. He enjoys working out, playing basketball, and watching *Game of Thrones*.

About AdRoll

AdRoll is the world's largest retargeting platform, with over 15,000 active advertisers worldwide and a 97% customer retention rate. AdRoll provides unmatched transparency and reach across the largest display inventory sources, including Google, Facebook, Twitter, mobile and the web. For more information, please visit <http://www.adroll.com>.

Sources

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